



General Assembly

January Session, 2009

Raised Bill No. 6448

LCO No. 3301

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Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

***AN ACT CONCERNING DISCLOSURE OF INSURANCE
REQUIREMENTS IN EQUIPMENT LEASES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 42-404 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2009*):

3 (a) A lessor may require that the lessee maintain casualty insurance
4 on the leased goods, or liability insurance against personal injury or
5 property damage caused to others, or both, during the period of the
6 lease. If a lessor requires that the lessee maintain either casualty or
7 liability insurance, or both, [unless the insurance is included in the
8 lease for no additional charge,] the lessor shall disclose in a
9 conspicuous manner in a record: (1) Whether the insurance is included
10 in the lease for no additional charge; (2) if the insurance is not included
11 in the lease or if there is an additional charge for obtaining insurance
12 through the lessor, that the lessee may purchase the required insurance
13 from an insurer of the lessee's choice, subject to the lessor's right to
14 reject that insurer for reasonable cause; and (3) that the insurance
15 policies offered by the lessor may duplicate coverage already provided
16 by a lessee's personal insurance policies.

17 (b) If casualty insurance on the leased goods is neither required nor
18 provided in a consumer lease, the lease must contain or be
19 accompanied by a conspicuous statement in a record substantially as
20 follows: "No insurance coverage for physical damage to the leased
21 goods, or loss of the leased goods, is provided under this lease."

22 (c) A lessor may not require the lessee to purchase credit life,
23 accident, health, loss-of-income or similar insurance in connection with
24 a consumer lease. If a lessor provides such insurance in connection
25 with a consumer lease:

26 (1) The lessor shall disclose in a record that the insurance is not
27 required; and

28 (2) The lessee's election to purchase the insurance is effective only if
29 after receiving the disclosure the lessee separately signs a record
30 requesting the insurance.

31 (d) If a lessee becomes obligated to pay an amount for insurance
32 provided by or through the lessor, the lessor shall furnish or arrange to
33 have furnished to the lessee a copy of the policy or certificate of
34 insurance.

35 Sec. 2. Section 42-390 of the general statutes is repealed and the
36 following is substituted in lieu thereof (*Effective October 1, 2009*):

37 Sections 42-270 to 42-271a, inclusive, and 42-390 to 42-434, inclusive,
38 may be cited as the [Uniform] Consumer Leases Act.

39 Sec. 3. (NEW) (*Effective October 1, 2009*) (a) If any insurance is
40 required to be obtained for a lease pursuant to subsection (e) of section
41 42a-2A-305 of the general statutes, any such agreement as set forth in
42 said subsection shall disclose in a conspicuous manner: (1) Whether
43 the insurance is included in the lease for no additional charge; (2) if the
44 insurance is not included in the lease or if there is an additional charge
45 for obtaining insurance through the lessor, that the lessee may
46 purchase the required insurance from an insurer of the lessee's choice,

47 subject to the lessor's right to reject that insurer for reasonable cause;
48 and (3) that the insurance policies offered by the lessor may duplicate
49 coverage already provided by a lessee's personal insurance policies.

50 (b) If insurance on the leased goods is neither required nor provided
51 in such lease or by agreement, the lease must contain or be
52 accompanied by a conspicuous statement in a record substantially as
53 follows: "No insurance coverage for the leased goods, or loss of the
54 leased goods, is provided under this lease."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2009</i>	42-404
Sec. 2	<i>October 1, 2009</i>	42-390
Sec. 3	<i>October 1, 2009</i>	New section

Statement of Purpose:

To require conspicuous disclosure of insurance coverage requirements in equipment leases.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]